Losses caused to the surrounding areas will also be compensated through insurance cover taken by IOC under public liability policy and third party liability policy. Government of Rajasthan has also announced a relief package with deferment of Value Added Tax remittance/service tax etc. till 31.03.2010, 50% waiver of the fixed portion of the electricity tariff, concessional loans from Rajasthan Finance Corporation and RIICO, rescheduling of repayment of loans, etc. for the affected industries.

Damage caused to the environment is being investigated by Rajasthan State Pollution Control Board.

Gas corridors

1337. SHRIMATI JAYANTHI NATARAJAN:
SHRI N.K. SINGH:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Central Government has prepared a blueprint to set up a nodal agency for putting in place a grand national plan for establishing 'Natural Gas Highways' to connect South East and Central India with natural gas pipeline network;

(b) if so, the details thereof;

(c) whether there is wide Inter-State disparity in consumption of gas and Southern States are not adequately benefited; and

(d) if so, the details thereof and the time by which gas corridors would be extended to Southern and Eastern parts of the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) A proposal is under consideration.

(c) and (d) The development of trunk natural gas pipelines in the country depends upon gas availability, and location of production centres and customers. There is disparity in consumption of gas between various States in the country. However, with a view to provide connectivity to unserviced areas in the Southern and Eastern parts of the country, Government has authorized GAIL (India) Limited (GAIL) and Reliance Gas Transportation Infrastructure Ltd. (RGTIL) for laying the following pipelines:-

GAIL (India) Limited

- Kochi-Kanjirrakod-Bangalore-Mangalore
- Haldia-Jagdishpur
- Dabhol-Bangalore

RGTIL

- Kakinada-Basudebpur-Howrah
- Kakinada-Nellore-Chennai

- Chennai-Bangalore-Mangalore
- Chennai-Tuticorin

As per the information received from GAIL and RGTIL, all these pipelines are expected to be completed by 2012-13.

Projects undertaken by PSUs in petroleum sector

1338. SHRI GIREESH KUMAR SANGHI:
SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indian public sector and other large companies should be encouraged to compete for execution of Engineering Procurement Construction (EPC) projects which are on the anvil in UAE, and other Middle-East region with 2009 being the most difficult year in the world economy due to global recession and shortage of liquidity;

(b) whether Indian companies' proven expertise in these fields be fully utilized through competing and getting such assignments as EPC projects involve contracts for designing the installations, procuring the necessary material, engineering the ongoing construction and finally commissioning; and

(c) during 2008, the number of foreign projects executed by PSUs in Petroleum Industry and foreign exchange earned thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) Engineers India Limited (EIL) provides consultancy for hydrocarbon and petrochemical projects on EPC mode. Most projects in UAE and other countries in the Middle East region are executed on EPC basis, with estimated cost of about US$ 1 billion. EIL has so far not carried out an EPC project abroad. Recognising possible EPC project execution opportunities in the region, EIL had joined M/s Tecnimont SPA, Italy in 2007 to form a Joint Venture Company. This Joint Venture Company was mandated to work in the UAE/Middle East region for executing EPC projects.

The year 2008-09 saw unprecedented recession and downturn in the world economy when the crude and gas prices plummeted to low levels. This made several of ongoing Hydrocarbon projects unviable leading to slowdowns and some of the new projects were even shelved. As a result of above liquidity shortage, Tecnimont-EIL Joint Venture Company could not start its EPS business in the UAE. However, many projects are under revival stage at present. EIL is restarting its operations for bidding for EPC projects in Middle East.

(b) EIL has the requisite skills and experience for carrying out basic engineering, detailed engineering, procurement, construction and commissioning of Hydrocarbon and Petrochemical Projects on EPC mode of execution. EIL has already executed to-date 16 EPC contracts, for Onshore and Offshore Projects in India.